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Annette W. Jarvis, Utah Bar No. 1649
 Steven C. Strong, Utah Bar No. 6340
 RAY QUINNEY & NEBEKER P.C.
 36 South State Street, Suite 1400
 P.O. Box 45385
 Salt Lake City, Utah 84145-0385
 Telephone: (801) 532-1500
 Facsimile: (801) 532-7543
 Email: ajarvis@rqn.com

Lenard E. Schwartz, Nevada Bar No. 0399
 Jeanette E. McPherson, Nevada Bar No. 5423
 SCHWARTZER & MCPHERSON LAW FIRM
 2850 South Jones Boulevard, Suite 1
 Las Vegas, Nevada 89146-5308
 Telephone: (702) 228-7590
 Facsimile: (702) 892-0122
 E-Mail: bkfilings@s-mlaw.com

Attorneys for Debtors and Debtors-in-Possession

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE COMPANY,

Debtor.

Case No. BK-S-06-10725 LBR

Case No. BK-S-06-10726 LBR

In re:

USA CAPITAL REALTY ADVISORS, LLC,

Debtor.

Case No. BK-S-06-10727 LBR

Case No. BK-S-06-10728 LBR

Case No. BK-S-06-10729 LBR

In re:

USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,

Debtor.

Chapter 11

Jointly Administered Under

Case No. BK-S-06-10725 LBR

In re:

USA CAPITAL FIRST TRUST DEED FUND, LLC,

Debtor.

Date: July 27, 2007

Time: 9:30 a.m.

In re:

USA SECURITIES, LLC,

Debtor.

**DECLARATION OF THOMAS J. ALLISON
 IN SUPPORT OF USA SECURITIES, LLC'S
 OBJECTION TO AMENDED PROOFS OF
 CLAIM 24-2, 25-2, AND 26-2 FILED BY THE
 PENSION BENEFIT GUARANTY
 CORPORATION**

(AFFECTS USA SECURITIES, LLC)

Affects:

- ☐ All Debtors
☐ USA Commercial Mortgage Company
☒ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed Fund, LLC
☐ USA Capital First Trust Deed Fund, LLC

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1 I, Thomas J. Allison, hereby declare, verify and state as follows:

2 1. I am the President and Chief Restructuring Officer of USA Commercial Mortgage
3 Company ("USACM") and am or was prior to March 12, 2007 (the "Effective Date"), the
4 Manager and Chief Restructuring Officer of each of the four other debtors in these jointly
5 administered chapter 11 cases; namely, USA Securities, LLC ("USA Securities"), USA Capital
6 Realty Advisors, LLC ("USA Realty"), USA Capital Diversified Trust Deed Fund, LLC
7 ("DTDF"), and USA Capital First Trust Deed Fund, LLC ("FTDF") (collectively the "Debtors").

8 2. The Debtors filed for relief under Chapter 11 of the Bankruptcy Code on April 13,
9 2006 (the "Petition Date").

10 3. On the Petition Date, Mesirow Interim Financial Management was employed to
11 manage the Debtors and I was appointed the Chief Restructuring Officer of the Debtors.

12 4. On January 8, 2007, the Court entered an order confirming the Debtors' joint plan
13 of reorganization (the "Plan").

14 5. As a result of my appointment as the Chief Restructuring Officer of the Debtors, I
15 have become familiar with the books and records of the Debtors, I have become familiar with
16 some of the records of USA Investment Partners, LLC ("Investment Partners"), which were kept
17 by the USACM's personnel until the Petition Date, and, prior to the confirmation of the Plan, I
18 have had conversations with Joseph Milanowski who was a principal and the primary officer or
19 manager of the Debtors. Based upon this information, I state the following facts as being true to
20 the best of my knowledge.

21 6. I make this Declaration in support of USA Securities' Objection to Amended
22 Proofs of Claim No. 24-2, 25-2, and 26-2 filed by the Pension Benefit Guaranty Corporation
23 ("PBGC")

24 7. The sole shareholders of USACM prior to the Petition Date were Thomas A.
25 Hantges, Joseph D. Milanowski, Paul S. Hamilton (either in their own names or through trusts
26 they control), and Red Granite, LLC.

27 8. USA Securities is a limited liability company the sole members of which were
28

1 Joseph D. Milanowski and Paul S. Hamilton (either in their own names or through trusts they
2 control) prior to the Petition Date.

3 9. Joseph D. Milanowski and Paul S. Hamilton combined owned approximately 43%
4 (but in any event, less than 50%) of the stock of USACM prior to the Petition Date. *See*
5 Organizational Chart of Debtors originally included as an exhibit to the Disclosure Statement and
6 attached hereto as **Exhibit A**.

7 10. Joseph D. Milanowski and Thomas A. Hantges together owned approximately
8 86.45% of USACM, but Thomas A. Hantges had no ownership in USA Securities. *See Exhibit A*.

9 11. Based on information and belief, at no time was USA Securities required to
10 contribute to a defined pension benefit plan.

11 I declare, under penalty of perjury, that, to the best of my knowledge, information and
12 belief, that the foregoing is true and correct.



Thomas J. Allison

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Exhibit A

USA Commercial Mortgage Company

